<u>REMARKS</u>

This is a full and timely response to the non-final Office Action of September 17,

2002. Reexamination and reconsideration are respectfully requested.

5   I.   <u>Claims 1, 5 to 7, and 9 to 12 are patentable over Kling et al.</u>

The Examiner rejected claims 1, 5 to 7, and 9 to 12 under 35 U.S.C. § 103 as being

unpatentable over U.S. Patent No. 5,878,215 to Kling et al. With respect to claim 1, the

Examiner considered Kling to disclose a method which comprises steps of receiving

transactions, converting the transactions into messages, assigning priorities to the messages,

10   processing the higher priority messages, and then processing the lower priority messages

when resources are available. The Examiner stated that the processing described in Kling

can occur in essentially real-time and can be interspersed with the processing of a second

type of messages. The Examiner recognized that Kling does not disclose a posting activity

but argued that it would have been obvious to have included a posting type message since

15   this would enable the account balance inquiry. The Examiner further stated that if posting

were not done on a timely basis, the financial balance inquiry would not be possible.

Kling describes a system and method for processing transaction requests between

remote terminals and a financial institution. With reference to Figure 1, the remote terminals

103, 105, and 107 communicate with financial institutions 109 and 111 through a switch 101.

20   Kling describes a data group, which is shown in Figure 2, having urgency indicators 205,

213, and 223 for indicating whether a service request is "transaction interactive," "batch

interactive," or "non-interactive" (see column 5, lines 8 to 13). The transaction interactive

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requires an immediate response to the remote terminal, the batch interactive requires a global

response only after all messages in the batch have been received by the switch, and the non-

interactive requires no further response. Figure 5 of Kling provides a block diagram of the

switch 101 and Figure 6 provides a flow chart of operation for the switch.

5   As should be apparent from the summary of Kling given above and from Kling itself,

Kling is primarily directed to the protocol and communications between remote terminals and

the financial institution. As mentioned above, the block diagram in Figure 5 and the flow

chart in Figure 6 relate to the <u>switch</u> 101, and not to the operations of either the remote

terminal or the financial institution. Significantly, Kling does not provide any description or

10   details on how the financial institutions internally process the service requests.

Claim 1 had previously recited a "method for posting transactions to accounts" and

claim 7 had referred to a "method for updating an account." These claims have been revised

to make explicit that the methods are "performed for a financial institution." Both the

posting method of claim 1 and the method of updating an account are performed for a

15   financial institution and so these revisions to the claims simply make explicit that the

methods are performed for the financial institution. As demonstrated by new claims 17 and

18, the methods may be performed by the financial institution itself or may be performed on

behalf of the financial institution, such as by a third party processor. Furthermore, the

financial institution may be a card processing company or may be a commercial entity that

20   processes their own accounts, such as a Home Depot or Sears.

As mentioned above, Kling does not provide any details or description on how the

financial institutions 109 and 111 internally process service requests initiated by the remote

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terminals. Kling provides no description or suggestion on any method for posting

transactions which involves, *inter alia* converting transactions into messages, assigning a

lower priority to messages ready for posting relative to a second type of messages, processing

the second type of messages at the higher priority, and then posting transactions to the

5   accounts when system resources are available. The rejection of claims 1 to 12 should

consequently be withdrawn.

Conventional processing systems, as described in the Background section of the

application, update accounts and post transactions in batches. These systems suffered from a

disadvantage in that the systems could not provide up-to-the-date information and otherwise

10   act in real time. The Examiner argued that the account balance inquiry in Kling inherently

means that Kling must process in real-time rather than in batch mode. The account balance

inquiry does not establish anything about how posting occurs for a financial institution nor

does it explain how accounts are updated. The account balance inquiry may simply provide

the account balance as determined from the prior night's batch processing of all accounts

15   without regard to any intermediate transactions received during the day. In any event, the

manner in responding to an account balance inquiry does not suggest the method of posting

transactions to accounts or the method of updating accounts.

As established above, Kling does not describe nor does it suggest any method for

posting or updating accounts which involves posting transactions to the accounts when

20   systems resources are available and processing a second type of messages at a higher priority

than those messages ready for posting.

With respect to claims 5, 6, 9, and 10 the Examiner argued that Kling discloses plural

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and one at a time transaction receipt. Claim 5 specifies that receiving transactions comprises receiving transactions at a plurality of times throughout a day while claim 6 states that a group of transactions are received at one time. As specified in claim 1, after the transactions are received, they are converted into messages, priorities are assigned, and then the messages are processed on the priority such that the second type of messages are processed at the higher priority than the posting messages, which are processed when system resources are available. Kling does not suggest any processing of transactions in either batch nor in essentially real-time that allocates priorities to messages and then processes the messages based on the priority. The portion of Kling cited by the Examiner relates to whether a response is required and does not disclose how those service requests are actually processed for the financial institution. The rejection of claims 5 and 6 should therefore be withdrawn.

With respect to claim 7, the Examiner argued that Kling discloses the claimed method which includes associating a rule, storing a parameter, receiving a transaction, identifying rules, applying the rules, inserting the transaction, and propagating balances. The Examiner recognized that Kling does not specifically disclose that a rule has changed by parameter modification but that it would have been obvious since it would be "more logical for particular transaction messages to be processed first because of time constraints."

As demonstrated above, Kling does not provide any disclosure or teaching on how the accounts are processed and updated for the financial institution. Thus, Kling does not anticipate nor does it render obvious the subject matter of claims 7 to 12. Since Kling does not provide any suggestion for the claimed method for updating an account, the rejection of claims 7 to 12 must be withdrawn.

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The rejection of claims 7 to 12 is improper for other reasons as well. For instance, claim 7 states that the method for updating an account includes storing at least one parameter of the rule in a database. The Examiner referenced column 7, lines 48 to 60, of Kling which describes how customer information may be contained within databases. Significantly, in

5   this section of Kling, Kling does not state that any parameter of a rule can be stored in a database. As set forth in claim 7, the rule is "used in controlling a processing of the account." Claim 7 also states that the "rule is changed by modifying the parameter stored in that database." Kling does not provide any suggestion that the manner in which an account is processed can be changed by modifying the parameter in a database.

10   The Examiner argued that the subject matter of claim 7 would have been obvious to account for the urgency of a transaction. The ability to change a rule by modifying the database greatly simplifies the coding of how accounts are processed. Rather than adding additional code, which entails coding, compiling, and testing, the claimed method allows a rule to be updated or otherwise altered by a simple change in the database. Kling provides no

15   suggestion for any such method for updating accounts. The rejection of claims 7 to 12 must therefore be withdrawn.

With respect to claims 11 and 12, the Examiner argued that it would have been obvious to have projected accounts to allow "a warning" during which accounts can be monitored for usage trends. Claims 11 and 12 illustrate the flexibility of the claimed method

20   for updating accounts in that the projecting of the account can occur either prior to or after the inserting of the transaction. Pages 91 and 92 of the application describe a preferred way in which projection occurs. As explained in this section of the application, the projection "is

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a key operation and can be analogized as a spreadsheet with time advancing down the rows."

A first column contains transaction information and later columns contain various balances.

Kling provides no suggestion as to how the projecting of an account can occur and the

Examiner has not provided any motivation as to how it would have been obvious to have

5   projected "prior to the inserting" as set forth in claim 11 or "after the inserting" as set forth in

claim 12. The Examiner is respectfully requested to withdraw the rejection of claims 11 and

12.

II.   Claims 2 to 4 are patentable over Kling et al. in view of Hogan.

10   The Examiner rejected claims 2 to 4 under 35 U.S.C. § 103 as being unpatentable

over Kling et al. in view of U.S. Patent No. 5,692,132 to Hogan. In making this rejection, the

Examiner stated that Kling does not specifically disclose a transaction message as an

authorization. The Examiner, despite making such an admission, does not provide any

reasoning as to why such subject matter would have been obvious in light of Hogan.

15   Because the Examiner has failed to establish a *prima facie* case of obviousness, the rejection

of claims 2 to 4 must be withdrawn.

Furthermore, the combination of Hogan with Kling would not suggest the claimed

invention. These references do not suggest a method for posting transactions in which an

authorization request is processed at a higher priority than the posting of transactions. The

20   rejection of claims 2 to 4 must therefore be withdrawn.

III.   Claim 8 is patentable over Kling et al. in view of *Auditing*

The Examiner rejected claim 8 under § 103 as being unpatentable over Kling et al. in view of page 297 in the book *Auditing* by Robertson et al. The Examiner stated that it would

5   have been obvious to have used an account master as disclosed by *Auditing* since this would have allowed for changes to be made for many instances of a particular account with a change to a single account master.

Neither Kling nor *Auditing* discloses the subject matter of claim 8. Claim 8 relates to associating a rule and states that this step comprises "generating an account master and

10   identifying all rules comprises retrieving the account master." *Auditing*, in contrast, refers to master <u>files</u> which may contain static fields such as employee number and dynamic fields such as year-to-date gross-pay. These master <u>files</u> described in *Auditing* do not correspond to the claimed account master which associate <u>rules</u> with an account and, by retrieving the account master, the method can identify all <u>rules</u> used in controlling a processing of the

15   account. Because Kling does not disclose any account master relating to the <u>rules</u> used in "controlling a processing of the account," the combination of *Auditing* with Kling would fail to render the claimed invention obvious. The rejection of claim 8 should therefore be withdrawn.

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IV.   Conclusion

For at least the above reasons, claims 1 to 12 are in condition for allowance. New

claims 13 to 18 are allowable for at least the reasons that claims 1 to 12 are allowable. If the

5   Examiner has any comments or suggestions which can place this application in even better

form, the Examiner is encouraged to telephone the undersigned at the below-listed number.

Please charge any additional fees or credit any overpayment to Deposit Account

No. 11-0855.

Respectfully submitted,

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1   1.   A method performed for a financial institution having system resources for

2 posting transactions to accounts, comprising:

3   receiving for the financial institution transactions related to a plurality of the accounts;

4   converting the transactions into messages;

5   assigning a lower priority to messages ready for posting relative to a second type of

6 messages;

7   processing, with the system resources, the second type of messages at the higher

8 priority than messages ready for posting; and

9   posting transactions to the accounts when the system resources are available;

10   wherein the posting of the transactions can occur in essentially real-time and can be

11 interspersed with the processing of the second type of messages.

1   7.   A method performed for a financial institution for updating an account having

2 account information, comprising:

3   associating at least one rule with the account, the rule for being used in controlling a

4 processing of the account;

5   storing at least one parameter of the rule in a database;

6   receiving for the financial institution a transaction related to the account;

7   identifying all rules associated with the account;

8   applying the rules to the transaction;

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9   inserting the transaction into the account information; and

10   propagating balances maintained for the account;

11   wherein the rule is changed by modifying the parameter stored in the database